ABSTRACT

CAUSALITY ANALYSIS OF GROSS DOMESTIC PRODUCT (GDP, EXPORT AND FOREIGN DIRECT INVESTMENT (FDI) IN INDONESIA

By

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This study aimed to analyze the causality relationship between Gross Domestic Product (GDP), export, and Foreign Direct Investment (FDI) in Indonesia. This study uses time series data taken from Bank Indonesia (BI) and the Badan Pusat Statistik (BPS) in the period 2004: Q1-2014: Q4. The analytical used Granger Causality method using E-views program assistance. Results of this study indicate there are two way relationship between GDP with export and GDP with FDI. Meanwhile there is one way relationship between variable export with FDI.

Keywords: GDP, FDI, exports and Granger Causality